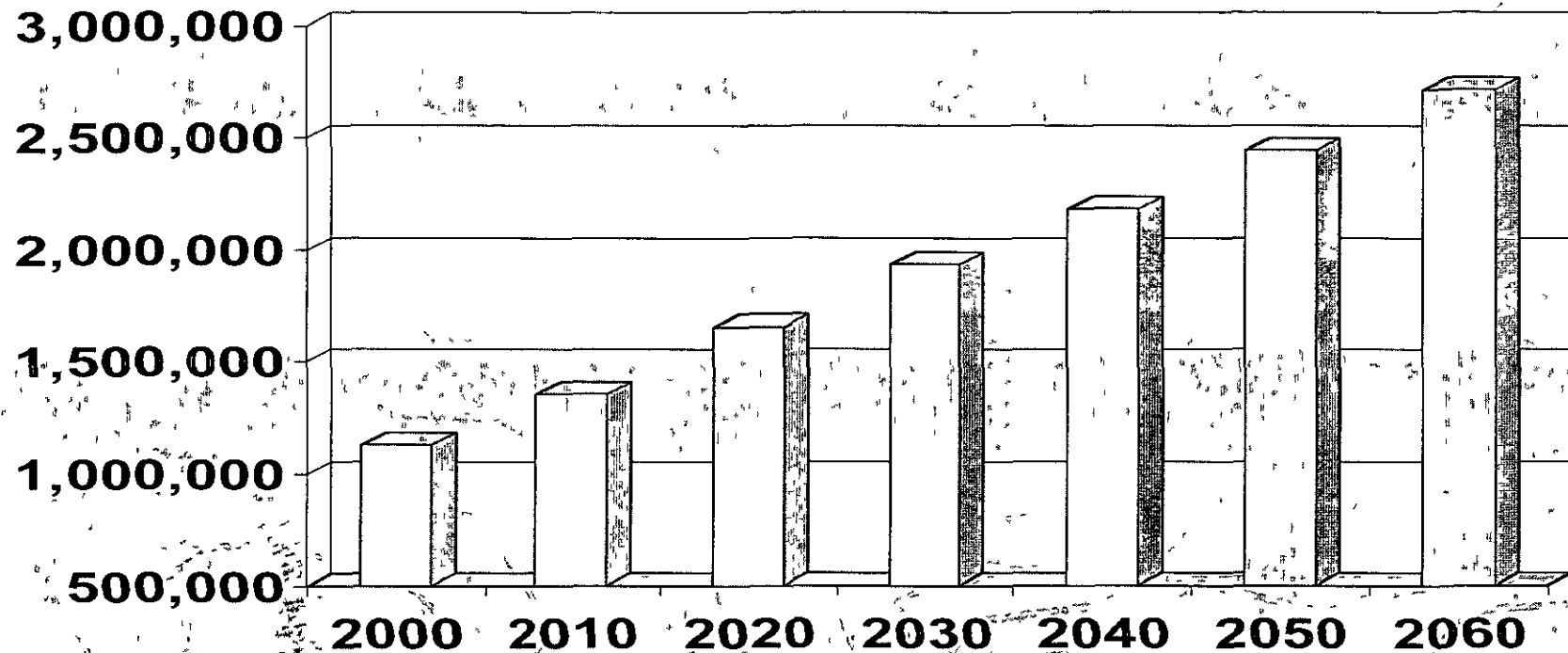


# Supplemental Water Supply Agreement (SWSA)

#83  
10/18/07

- ▶ The SWSA builds upon the Settlement Agreement between Austin and LCRA of June 2007.
- ▶ 5 Components of Settlement Agreement:
  - 1) Shared use of return flows: Environmental needs met first, then parties share remaining return flows;
  - 2) Resolves disputes over 5 specific permit applications;
  - 3) Establishes new collaboration between parties to jointly manage water rights without surrendering legal control;
  - 4) Clarifies – but does not amend – specific provisions of 1999 water supply contract;
  - 5) Commitment to finalize new and additional water supply contract, the SWSA.

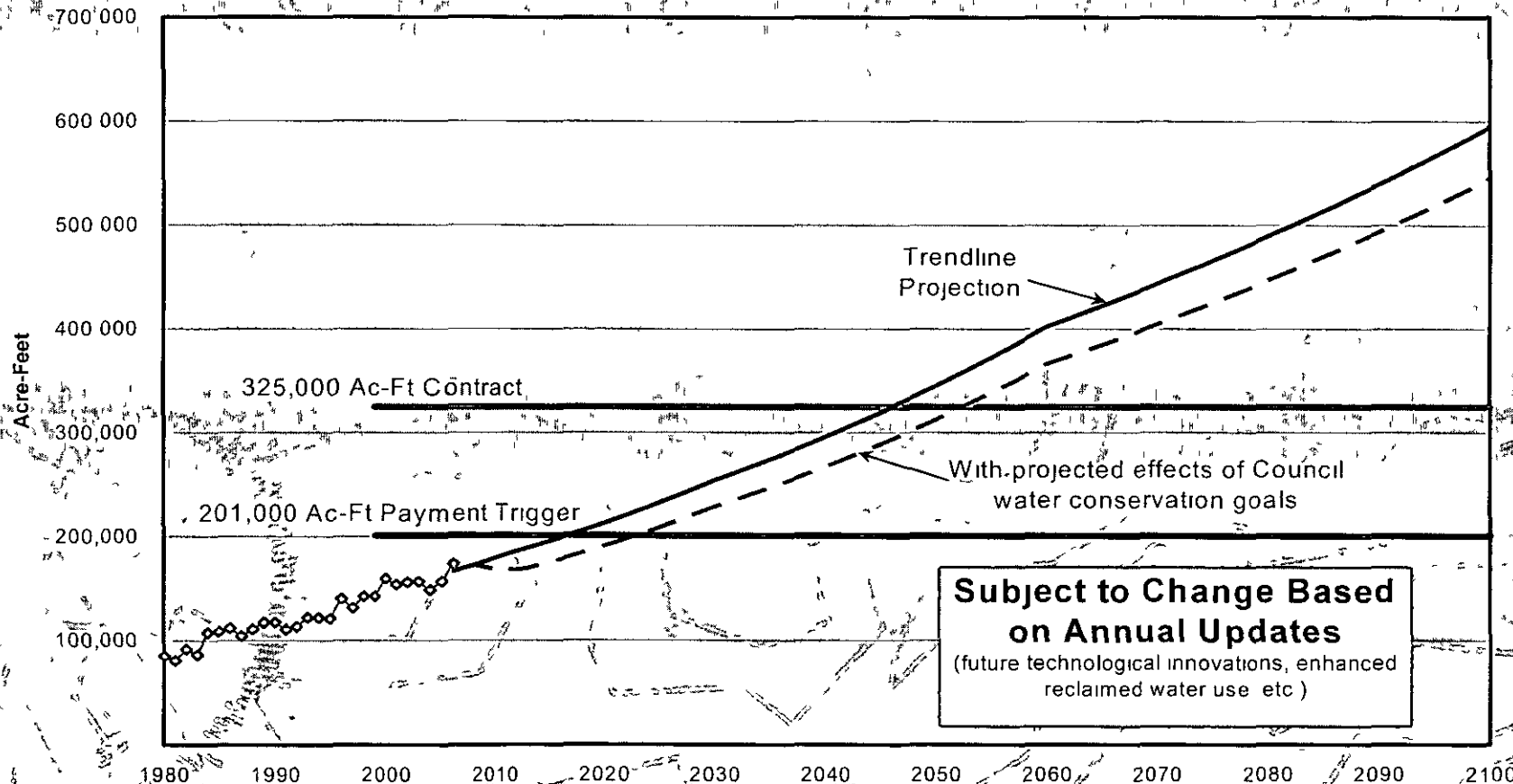
# Why the SWSA is Necessary:



Projected Population Growth: Region K

Source: Texas Water Development Board

## Austin Annual Municipal Water Demand Projections with Projected Effects of Water Conservation Goals



# Summary of SWSA

- ▶ Increases Austin's water supply by 250,000 AFY and carries through 2100.
- ▶ Establishes careful planning process to decide source and timing of water supply increments over remaining century.
- ▶ Payments:
  - No prepayments.
  - Might pay reservation fees in future decades if and when water actually being reserved exclusively for Austin.
  - Rates to be determined depending on source.
- ▶ Potential Sources of Water:
  - LCRA supplies (new or existing).
  - New supply Austin independently develops.
  - Partnering with LCRA or other parties.

# Water Planning Process

- 1) Austin's Demand Projections: Begins in 2010 and updated every 5 years, no legally binding affect.
- 2) Supply Increments: The smaller increments of the 250,000 AFY total to be fulfilled in coming decades.
- 3) Supply Decision: The quantity, source and timing for new water supplies.

Supply decision will be open to full public participation: must be approved by City Council.

# SUMMARY OF AUSTIN'S PUBLIC PROCESS

- 1) 10 meetings at Austin Boards and Commissions plus City Council Public Hearing tomorrow.
- 2) Written correspondence from Mayor Wynn to 6 entities:
  - ❖ Village of Volente (Mayor Yenawine)
  - ❖ City of Lakeway (Mayor Swan)
  - ❖ Lakeway MUD Board of Directors (Mr. Rogers)
  - ❖ City of Bee Cave (Mayor Murphy)
  - ❖ City of Jonestown (Mayor Armstrong)
  - ❖ City of Briarcliff (Mayor Pigg)
- 3) Draft SWSA has been available to public on COA website since September 19.



## ENVIRONMENTAL BOARD MOTION 101707-001

Date October 17, 2007

Subject Supplemental Water Supply Agreement between the City of Austin and the Lower Colorado River Authority

Motioned By Dave Anderson, PE, CFM

Seconded By John Dupnik, PG

### Recommendation

The Environmental Board offers the attached resolution in response to the Supplemental Water Supply Agreement between the City of Austin and the Lower Colorado River Authority (LCRA) to increase the firm water available to Austin by an additional 250,000 acre-feet/year through the year 2100 pursuant to the Settlement Agreement executed on June 18, 2007 between the City and LCRA

### Staff Conditions

Not Applicable

### Rationale

Not Applicable

Vote 5-0-0-2

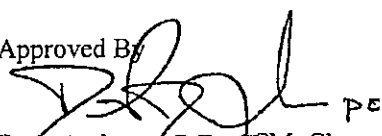
For Dupnik, Maxwell, Anderson, Neely, Moncada

Against None

Abstain None

Absent Ahart, Beall

Approved By

  
Dave Anderson P E , CFM, Chair

**RESOLUTION NO EB 101707-001**

**WHEREAS** the City of Austin (City) and the Lower Colorado River Authority (LCRA) entered into a Settlement Agreement on June 18, 2007 and a Supplemental Water Supply Agreement (SWSA) is under consideration—both of which much be approved by both entities for either to be valid, and

**WHEREAS** the Environmental Board is aware of the investments that LCRA has made to protect water quality in the Highland Lakes – the water supply for 1 million Central Texans - and the lower Colorado River basin, including the Highland Lakes Watershed Ordinance (requiring construction projects to meet performance-based standards related to removal of pollutants from stormwater in the watersheds contributing flows to the Highland Lakes), the management of more than 23,000 on-site sewage facilities in an area around the Highland Lakes, and coordination with the Texas Commission on Environmental Quality on their ban of pollutant discharges into the Highland Lakes since 1986, and

**WHEREAS** the LCRA also provides education opportunities related to natural resources at six nature parks and natural science centers where more than 50,000 kids have been introduced to the lower Colorado River through classes, camps and teacher workshops, and that the LCRA regularly solicits input from customers and stakeholders on its water quality programs through numerous public processes, and

**WHEREAS** the LCRA has undertaken the Colorado River Environmental Model (CREMS) Project, a 10-year project to develop environmental models capable of assessing water quality, performing environmental analyses and evaluating the affects of water quality ordinances, and that LCRA professionals and more than 100 citizen monitors collect water quality data throughout the lower Colorado River basin that is used to publish LCRA's Water Quality Index to inform and educate the public about general water quality conditions along the Highland Lakes, Colorado River and major tributaries, and

**WHEREAS** the LCRA has collaborated with partner agencies through the Clean Rivers Program that has also resulted in a water quality database that includes information from more than 200 sites, and

**WHEREAS** the City of Austin Environmental Board recommended support for the Settlement Agreement, and despite of LCRA's water quality programs, they are primarily focused on inflows into the Highland Lakes, and the Board is concerned about the impacts of the Supplement Water Supply Agreement on the natural environment in and around Austin, including the instream flows and bay and



estuary inflows that might be impacted by either Agreement, as well as the impact of LCRA water supplies to customers in the LCRA service area that provide water for development upstream of receiving waters and watersheds that lie within the City of Austin's jurisdiction that could negatively impact creeks, streams, springs, and the general watershed health of the City's natural resources, and

**WHEREAS** the City of Austin has the responsibility to provide input on any water supply increments provided by LCRA if the City feels that it may cause elevated City of Austin water treatment costs, elevated maintenance and repair costs due to stream erosion or flooding within the City's jurisdiction, environmental harm to the creeks, streams, springs, or flora and fauna of the watersheds impacted by the water supply increment, or if the water supply increment does not match the intent of the Envision Central Texas program, and

**WHEREAS** the proposed Water Partnership set out in the Supplement Water Supply Agreement does not expressly provide for public participation, and the decisions made by the City of Austin and LCRA jointly through the Water Partnership on incremental water supplies should be open to a public stakeholder process in which those citizens potentially impacted by water supply decisions have an opportunity to voice their opinions on the validity of such an incremental water supply, and

**WHEREAS** water conservation standards were not expressly made prerequisite to either the City's or LCRA's interconnection rules, and

**WHEREAS** the scope of the Settlement and SWSA is unclear with respect to the City's ability to object to present and future supply decisions that are not the subject of the Settlement, and,

**WHEREAS** the City of Austin Environmental Board requests, and the City and LCRA commit to, having language that outlines the premises and recommendations in this resolution be explicit in the agreement and be hereby incorporated into the SWSA, to protect the natural environment in and around Austin through the end of this Agreement, **NOW THEREFORE**

**BE IT RESOLVED BY THE CITY OF AUSTIN ENVIRONMENTAL BOARD**, that the Board recommends that the City Council authorize the City Manager to negotiate and execute the SWSA with LCRA to include the following recommendations

- 1 The recommendations of the Resource Management Commission should be accepted and explicitly addressed in the Supplemental Water Supply Agreement

2 Consistent with the Parties' stated mutual interests to "preserv[e] water quality and environmental health of the river and bay system," as stated in Section 5 C(m)(2) of the Water Partnership framework set forth in Exhibit A of the Settlement Agreement, the Water Partnership should establish a process for monitoring water quality of the springs, streams, and lakes within the City of Austin that receive runoff from areas served by LCRA and for considering water quality impacts, if any, of Supply Decisions evaluated by the Water Partnership

3 The Water Partnership should establish a process, to include open meetings act notification and stakeholder input, for considering various strategies that may be available to address any adverse impacts that might be identified prior to those water supply decisions being made

4 The Water Partnership should evaluate available regulatory tools, incentives, or other mechanisms and regional approaches that may be available to help safeguard against any water quality impacts of concern that the Water Partnership might identify

5 For these purposes, the Water Partnership should use, to the maximum extent possible, existing mechanisms and information, such as the Clean Rivers Program, interlocal agreements regarding nonpoint source pollution prevention, existing studies, and ongoing water quality monitoring and modeling efforts, to collect and assess relevant water quality information

6 The Water Partnership shall consider the Draught of Record and Draught Contingency Plans as they relate to incremental water supplies on or before the date on which the City of Austin develops its first Demand Projection under the Supplement Water Supply Agreement

7 On or before the date on which Austin develops its first Demand Projection under the Supplemental Water Supply Agreement, the Water Partnership (or a subcommittee thereof) should report to the Parties' respective governing bodies on its efforts, and shall include a summary of its findings, as well as any recommendations for further study or action

**ADOPTED** October 17, 2007

**ATTEST**

A handwritten signature in dark ink, appearing to read "D. Anderson", followed by the letters "PE" in a smaller font.

David J. Anderson, PE, CFM  
Environmental Board Chair


No. 092607-C

**RECOMMEND AUTHORIZATION TO THE CITY MANAGER TO NEGOTIATE  
AND EXECUTE A LONG-TERM WATER SUPPLY AGREEMENT BETWEEN  
THE CITY OF AUSTIN AND THE LOWER COLORADO RIVER AUTHORITY  
TO INCREASE THE FIRM WATER AVAILABLE TO AUSTIN BY AN  
ADDITIONAL 250,000 ACRE-FEET/YEAR THROUGH THE YEAR 2100**

**SEPTEMBER 26, 2007  
REGULAR MEETING  
VOTE**

Motion	Commissioner's Vote				
	Made By	Consenting	Dissenting	Absent/Unk	Absent
Michael Warner (Chairman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chien Lee, P E , (Vice Chairman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ronnie Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karen Friese, P E	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laura Raun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cheryl Scott-Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dale Gray	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mario Espinoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Water and Wastewater Commission recommends authorization to the City Manager to negotiate and execute a long-term water supply agreement between the City of Austin and the **Lower Colorado River Authority** to increase the firm water available to Austin by an additional 250,000 acre-feet/year through the year 2100

  
Michael Warner, Chairman  
Water and Wastewater Commission

9/26/07  
Date



**Resource Management Commission**  
Lower Colorado River Authority and City of Austin  
June 18, 2007 Settlement Agreement and  
Supplemental Water Supply Agreement  
Policy Advice  
October 16, 2007  
Vote 6-0-2-0-1

**Motion by:** A Martinez

**Second by:** A Donoho

**For.** R Amato, C Herbert, J Beckage, G Hsieh

**Against** 0

**Absent:** L Cunningham, K Strnad

**Abstain** 0

**Vacant.** C Barron

**Motion.** Passed

WHEREAS the City of Austin (City) and the Lower Colorado River Authority (LCRA) have entered into a Settlement Agreement on June 18, 2007 and a Supplemental Water Supply Agreement (SWSA), which is currently under review,—both of which much be approved for either to be valid, and

WHEREAS the Resource Management Commission (RMC) has been analyzing the interplay of the Settlement and SWSA, particularly with respect to water conservation issues, and

WHEREAS as a result of the analysis, two major issues were discovered 1) that the proposed Water Partnership set out in the SWSA did not expressly provide for public participation, 2) that water conservation standards were not expressly made prerequisite to either the City's or LCRA's interconnection rules, and

WHEREAS the scope of the Settlement and SWSA is unclear with respect to the City's ability to object to present and future supply decisions that are not the subject of the Settlement, and,

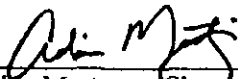
WHEREAS due to the process for reaching this agreement between the City and LCRA, the timeline for comment for boards and commissions requires that we comment now, in spite of the fact that this is to be adopted almost immediately, and

WHEREAS the RMC requests, and the City and LCRA commit, to have that language outlining the premises and recommendations in this resolution be explicit in the agreement and be hereby incorporated into the SWSA, to protect the future water supply for Austin, beyond 2050,

THEREFORE, BE IT RESOLVED that the Resource Management Commission recommends that the City Council authorize the City Manager to negotiate and execute the SWSA with LCRA to include the following recommendations

- 1 To ensure that appropriate stakeholder input is considered as part of the Water Partnership's water supply strategy evaluation, as contemplated by Section 5 C(11)(3) of the Water Partnership framework set forth in Exhibit A of the Settlement Agreement, the Water Partnership shall establish a process to include public input as part of the Supply Decision and Source of Supply components of the Supplemental Water Supply Agreement (SWSA), as contemplated by Section 3 4 of the SWSA. The Water Partnership shall also provide annual updates to the Region K Water Planning Group regarding these components as part of this process
- 2 LCRA shall seek and consider, and the City shall actively encourage, public input as part of its ongoing Water Supply Resource Planning effort, especially the conservation component of this effort and its evaluation of and recommendations regarding water conservation strategies
- 3 Consistent with the Parties' stated mutual interests of identifying water supply strategies that demonstrate "responsible water resource management, mindful of the Parties' commitment to a strong water conservation ethic," as stated in Section 5 C(11)(5) of the Water Partnership framework set forth in Exhibit A of the Settlement Agreement, the Water Partnership shall evaluate the water conservation strategies that may affect the timing and magnitude of Supply Decisions made by the Parties under the SWSA. Further, the Water Partnership shall establish a process, to include stakeholder input, for considering various water conservation strategies that are or may be available to LCRA or Austin, or both, and their customers
- 4 In its evaluation, the Water Partnership shall use, to the maximum extent possible, existing mechanisms and information and results from ongoing efforts by the City, LCRA and others, such as those of the City of Austin's Citizens' Water Conservation Committee, the LCRA's Water Supply Resource Plan, and Texas' Water Conservation Advisory Council, to collect and assess relevant water use and water conservation information

- 5 On or before the date on which Austin develops its first Demand Projection under the Supplemental Water Supply Agreement, the Water Partnership (or a subcommittee thereof) shall report to the Parties' respective governing bodies on its efforts to evaluate and consider water conservation strategies, and shall include a summary of its findings, as well as any appropriate water conservation strategies to meet the Parties' goals for water use reduction considering the Parties' diverse customer base, and any related matters for further study or action. Austin's current goal is to reduce peak day usage by one percent per year for 10 years, LCRA's wholesale raw water supply goal is to decrease per-capita water use by 5% by the year 2015, and the Texas state goal is to achieve 140 gallons per capita per day.
- 6 The Supplemental Water Supply Agreement shall clearly state that (a) the Supplemental Water Supply Agreement retains the Parties' independent rights to refuse to approve a particular recommendation from the Water Partnership for a Supply Decision, and (b) the Parties have retained any and all rights to contest or object to water rights permit requests or other regulatory approvals sought by either party in the future related to water supply except to the extent that those water rights permits applications are expressly addressed by the 2007 Settlement Agreement or are otherwise required to implement a Supply Decision that is adopted by the Parties under the Supplemental Water Supply Agreement.

  
\_\_\_\_\_  
Approved, Adán Martínez, Chair

October 16, 2007